

**HOWARD COUNTY POLICE AND FIRE EMPLOYEES' RETIREMENT PLAN
HOWARD COUNTY RETIREMENT PLAN**

JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES

November 30, 2018

A joint meeting of the Retirement Plan Committees for the Howard County Police and Fire Employees' Retirement Plan (the "Police and Fire Plan") and the Howard County Retirement Plan (the "Employees Plan") (jointly, the "Plans") was held on Thursday, November 30, 2018 at 9:00 a.m. in the Columbia/Ellicott City Room at the George Howard Building, 3430 Court House Drive, Ellicott City, Maryland 21043.

Police and Fire Plan:

Members Present:

Human Resources Administrator: Wanda Hutchinson
Chief Administrative Officer: Lonnie Robbins
Director of Finance: Janet Irvin
Budget Director: Holly Sun
Representative, Police Department Supervisory Employees:
 Jason Luckenbaugh
Representative, Howard County Police Officers' Association, Lodge 21:
 Craig Hoover

Members Absent

Representative, International Association of Firefighters, Local 2000:
 Richard Ruehl
Representative, Fire and Rescue Supervisory Employees:
 Vincent Baker

Employees Plan:

Members Present:

Human Resources Administrator: Wanda Hutchinson
Chief Administrative Officer's Designee: John Peterson
Deputy Director of Finance: Angie Price
Budget Director Designee: Janssen Evelyn (arrived 9:12 a.m.)
Employee Representative: Jeff Bronow
Representative, American Federation of State, County and

Municipal Employees Local 3080: Kim Drennon
Representative, American Federation of State, County and Municipal
Employees Local 3085: Dale R. Chase

Members Absent

None

Also present for all or a portion of the meeting were:

Steve Peters, County Auditor's Office
Lori Buchman, Department of Finance
Sima Taghavi, Department of Finance
Trevor Jackson and Chris Brokaw of AndCo Consulting
Paul W. Madden, Whiteford, Taylor & Preston L.L.P.
Scott Southern, Retirement Assistant
Jamar Herry, Office of Law

It was noted that the minutes of the October 25, 2018 meeting show Angie Price as the Acting Deputy Director of Finance. Wanda Hutchinson requested that the minutes be corrected to show that Angie is now the Deputy Director of Finance. With this change, the minutes of the October 25, 2018 meeting were approved by the Committees for both Plans.

Wanda noted that John Peterson has taken a position outside Howard County employment, and that this will be his last meeting. The Committee thanked John for his service on the Committee.

Next, Keith Novak and Jonathan Griffin of CliftonLarsonAllen made a presentation to the Joint Committees regarding the annual audit of the Plans' financial statements. Mr. Novak explained the audit approach; the responsibilities of management, the auditors and those charged with governance; a summary of the audit results; information about other governance communications and a GASB update. Mr. Novak indicated that for each Plan, the auditors provided an unmodified opinion on the financial statements. This is the highest level of opinion that is available. Mr. Novak also noted that CLA employed a risk-based approach and through this approach, they focused on cash and investments, revenue recognition, compliance with the benefit payment provisions of the Plan, administrative expense reviews and financial statement disclosures. Mr. Novak noted that there were no new financial statement disclosures. In addition, CLA did not identify any corrected or uncorrected misstatements. There were no disagreements with management concerning the audit. After completing their presentation and addressing questions from the Committee and its advisors, Messrs. Novak and Griffin left the meeting.

Next, Trevor Jackson and Chris Brokaw provided AndCo's investment performance review for periods ending September 30, 2018. Trevor introduced Chris, indicating he had 13 years of experience as a consultant and 25 years of experience in the industry. Trevor provided a market review, as well as an analysis of the Plans' asset allocation and performance for periods ending September 30, 2018. Trevor noted that trade tensions continue to rattle markets. However, equities had a strong performance for the trailing 12 months with a Russell 1000 growth index returning 26.3% and the Russell 2000 growth index returning 21.1%. Emerging market equities and debts had a negative performances for the trailing 12 months.

The total fund composite outperformed the implementation index by 2.2% for the trailing 12 months; the total fund returned 8.1% versus the benchmark return of 5.9%. This ranks in the 56 percentile versus other public funds. The U.S. non-large cap composite returned 24.8%, outperforming the Russell 2500 index by 8.6%. This return ranked in the 18th percentile versus peers. William Blair returned 28.6%, outperforming the index by 5.5%. ICM returned 13.2% and outperformed its index by 3.9%. Brown returned 39.3% which outperformed the index by 18.2%. Trevor noted that the fixed income composite has been negative over the past year with an absolute return of -1.5%. This is ranked in the bottom quartile of its peer universe. For three and five years, the total fund composite returned 10.18% and 7.95% respectively. In each case, the total fund composite beat the implementation index and the total policy index. The manager value added for the year ending September 30, 2018 was 1.21%. Trevor also noted that the Plan is achieving better than benchmark returns at a lower level of risk.

Next, Trevor Jackson and Chris Brokaw provided a risk analysis to the Committee. AndCo's risk management objective is to make sure that the Plans receive appropriate compensation for the level of risk taken and to ensure that the Committee understands and measures the sources of risk.

Next, Trevor Jackson performed the annual liquidity review for the Plans. Trevor reported that there are no liquidity concerns at this time.

At 10:57 a.m., a motion was made by Jason Luckenbaugh and seconded by Lonnie Robbins to close the meeting pursuant to General Provisions Article § 3-305(b) to consider the investment of public funds and to comply with a specific constitutional, statutory or judicially imposed requirement that prevents public disclosures about a particular matter or proceeding. Wanda Hutchinson, Janet Irvin, Lonnie Robbins, Holly Sun, Jason Luckenbaugh and Craig Hoover all voted in favor of the motion, Vince Baker and Richard Ruehl were absent. There were no negative votes or abstentions.

At 10:58, a motion was made by Dale Chase and seconded by Kim Drennon to close the meeting pursuant to General Provisions Article § 3-305(b) to consider the

investment of public funds and to comply with a specific constitutional, statutory or judicially imposed requirement that prevents public disclosures about a particularly matter of proceeding. Wanda Hutchinson, John Peterson, Janssen Evelyn, Jeff Bronow, Dale Chase and Kim Drennon all voted in favor of the motion, Angie Price was absent. There were no negative votes or abstentions. Trevor Jackson, Chris Novak, Scott Southern, Lori Buchman and Sima Taghavi were present during the closed session at the invitation of the Joint Committee. During the closed session, representatives of Pantheon presented a report on the performance of the Pantheon Global Secondary Fund IV in which the Master Trust has invested. No action was taken during the closed portion of the meeting. At 11:55 a.m., a motion was made to reopen the meeting. Following the reopening, the meeting adjourned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul W. Madden", with a stylized, flowing script.

Paul W. Madden
Secretary of the Meeting

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**EXHIBITS
TO
MINUTES OF HOWARD COUNTY POLICE AND FIRE EMPLOYEES'
RETIREMENT PLAN
AND HOWARD COUNTY RETIREMENT PLAN
JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES**

November 30, 2018

1. Presentation by CliftonLarsonAllen regarding audited financial statements - November 30, 2018.
2. AndCo's Investment Performance Review for the Period Ending September 30, 2018.
3. Summit Strategies Group Risk Analysis Committee Report - November, 2018.
4. Pantheon Portfolio Review: Howard County - November, 2018.